

5. Between late 1999 and mid 2000, lawyers who represented clients charged with traffic cases in Forsyth County could negotiate dismissals or pleas with an assistant district attorney in an administrative court conducted in Courtroom 1B.

6. Due to the volume of cases handled in Courtroom 1B, the assistant district attorneys in that courtroom, and the Court, had to rely on the lawyers representing the offenders to be truthful, particularly concerning their client's prior driving record.

7. On October 6, 1999, Inhaber deliberately misrepresented to the assistant district attorney and to the Court that his client had "some record" when he knew that his client had recently been convicted of Driving While Impaired.

8. As a result of that misrepresentation, and others, the district attorney advised his assistants that they could no longer negotiate with Inhaber in administrative court for a period of time.

9. In January 2000, after the restriction on assistant district attorneys negotiating pleas with Inhaber was lifted, Inhaber again began to negotiate pleas in the administrative court.

10. Inhaber negotiated pleas in a number of his clients' traffic cases on January 11, 2000, January 27, 2000, February 1, 2000 and February 22, 2000. However, Inhaber didn't pay the costs and fines for those cases until March 21, 2000. As a result of Inhaber's delay in paying the fines and costs, some of his clients were reported to the North Carolina Department of Motor Vehicles (hereinafter, "DMV") for having failed to pay their fines and costs.

11. An investigator from the North Carolina State Bar, Reginald Shaw (hereinafter, "Shaw"), interviewed Inhaber on June 22, 2000. During questioning by Shaw concerning whether Inhaber had failed to pay his clients' fines and costs promptly, Inhaber falsely stated that the March 21, 2000 check was written to pay costs and fines for cases he had negotiated pleas in on that date.

12. On July 7, 1999, Inhaber was cited for driving his 1998 BMW on Reynolda Road at 56 mph in a 35 mph zone. Inhaber was also cited for failing to have the address changed on his driver's license.

13. On June 14, 2000, Inhaber appeared in traffic court representing himself on his speeding and license address violations.

14. The assistant district attorney in traffic court, Vin Linga (hereinafter, "Ms. Linga"), agreed to reduce Inhaber's 56/35 speeding charge to speeding 44/35.

15. Inhaber falsely represented to District Court Judge William Graham (hereinafter, "Judge Graham") that he had a clean traffic record over the previous six years.

16. During the six years prior to June 14, 2000, Inhaber had been charged with speeding eight times and had been charged with other violations on at least seven occasions. None of his previous charges had resulted in a conviction that caused points to be assessed against Inhaber pursuant to NCGS §20-16.

17. When trying to determine how Inhaber's address change violation should be handled, Ms. Linga asked Inhaber to show her his driver's license. Ms. Linga's request was made in the presence of Judge Graham.

18. Inhaber asked if he could produce his driver's license on the following day since he had "left it in his office." In doing so, Inhaber falsely implied to Ms. Linga and Judge Graham that his driver's license bore his correct address.

19. Judge Graham asked Inhaber to go to his office and retrieve his driver's license.

20. After leaving the courtroom on June 14, 2000, Inhaber drove to a DMV licensing office, reported his address change, and got a new driver's license with a correct address.

21. Inhaber then returned to Judge Graham's courtroom and gave him the new driver's license without informing Judge Graham that he had just obtained it.

22. On June 4, 2000, while being escorted from a nightclub, Club Lava, Inhaber was found to be in possession of two controlled substances. One was a Schedule I controlled substance, Methylenedioxymethamphetamine, commonly called "Ecstasy." The other was a Schedule III controlled substance, Ketamine.

23. On August 15, 2000, Inhaber was charged with a felony for possession of Ecstasy and a misdemeanor for possession of Ketamine.

24. In November 2000, Inhaber entered Forsyth County's Drug Court Treatment Program that deferred prosecution of Inhaber's drug charges conditioned upon Inhaber's compliance with the program's requirements.

25. On 231 occasions between January 1999 and June 2000, Inhaber transferred fees from his trust account to his operating account electronically.

26. By transferring fees electronically, Inhaber was unable to indicate the client balance against which the transfer was drawn.

27. On February 8, 2000, Vincent Marino (hereinafter, "Marino") retained Inhaber to represent him on a traffic ticket in Davie County. Marino paid Inhaber \$390.00 which included Inhaber's fee and Marino's costs and fine. Marino also sent Inhaber a waiver of appearance.

28. Inhaber failed to appear in court in Davie County at the setting for Marino's case in March 2000.

29. As a result of Inhaber's failure to appear for Marino, DMV sent Marino a letter on June 16, 2000 advising him that his license would be indefinitely suspended if the matter were not taken care of by August 15, 2000.

30. On December 23, 1999, Reggie L. Gentle, Jr. (hereinafter, "Gentle") retained Inhaber to represent him on a traffic ticket.

31. On December 29, 1999, Gentle purchased a \$450.00 money order for Inhaber's fee and Gentle's costs and fine. Gentle delivered the money order to Inhaber with a waiver of appearance.

32. Inhaber failed to dispose of Gentle's traffic ticket and failed to pay his costs and fine.

33. On March 9, 2000, DMV sent Gentle a letter advising him that his license would be indefinitely suspended if the matter was not resolved.

34. Gentle retained another lawyer to handle his traffic ticket.

35. Gentle had to pay DMV \$25.00 to keep his license from being suspended as a result of Inhaber's failure to appear on his behalf.

36. On December 23, 1999, Nikisha Nicole Albea (hereinafter, "Albea") received a traffic ticket in High Point, NC.

37. In January 2000, in response to a direct mail solicitation Inhaber sent to her, Albea retained Inhaber to represent her on her traffic ticket. Albea sent Inhaber a waiver of appearance and a money order for the \$175.00 he required as payment of his fee and Albea's costs and fine.

38. On April 26, 2000, Inhaber negotiated a plea agreement for Albea, but failed to pay Albea's costs and fine.

39. Albea called Inhaber's office numerous times over the next several months to find out what happened with her two citations.

40. Inhaber never returned Albea's calls or otherwise communicated with Albea concerning her citations.

41. As a result of Inhaber's failure to pay her costs and fine, DMV suspended Albea's driver's license.

42. In August 2000, Albea received a letter from the Guilford County Schools advising her that she could not return to duty as a school bus driver in the fall since her driver's license had been suspended.

BASED UPON the foregoing Findings of Fact, the hearing committee makes the following:

CONCLUSIONS OF LAW

1. All parties are properly before the hearing committee and the committee has jurisdiction over Inhaber and the subject matter.
2. Inhaber's conduct, as set out above, constitutes grounds for discipline pursuant to N.C. Gen. Stat. § 84-28(a) & (b)(2) as follows:
 - (a) By deliberately misrepresenting his client's traffic record to the Court on October 6, 1999, Inhaber made a false statement of material fact or law to a tribunal in violation of Rule 3.3(a)(1); and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).
 - (b) By waiting until March 21, 2000 to pay the costs and fines of clients whose cases he had negotiated on January 11, 2000, February 1, 2000 and February 22, 2000, Inhaber failed to act with reasonable diligence and promptness in representing his clients in violation of Rule 1.3; failed to promptly pay funds he had received from his clients to third parties, as directed by his clients, in violation of pre-May 4, 2000 Rule 1.15-2(h); engaged in conduct prejudicial to the administration of justice; and prejudiced or damaged his clients during the course of the professional relationship in violation of Rule 8.4(g).
 - (c) By falsely representing to Shaw that his March 21, 2000 check in payment of his clients' fines and costs was for clients' whose cases had been negotiated on that date, Inhaber knowingly made a false statement of material fact in connection with a disciplinary matter in violation of Rule 8.1(a); and engaged in conduct involving dishonesty, fraud, deceit or misrepresentation in violation of Rule 8.4(c).

- (d) By falsely representing to Judge Graham that he had a clean driving record over the previous six years, Inhaber made a false statement of material fact to a tribunal in violation of Rule 3.3(a)(1); engaged in conduct involving dishonest, fraud, deceit or misrepresentation in violation of Rule 8.4(c); and engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d).
- (e) By falsely implying to Judge Graham and Ms. Linga that he had a driver's license with a correct address, Inhaber made a false statement of material fact to a tribunal in violation of Rule 3.3(a)(1); engaged in conduct involving dishonest, fraud, deceit or misrepresentation in violation of Rule 8.4(c); and engaged in conduct prejudicial to the administration of justice in violation of Rule 8.4(d).
- (f) By possessing Schedule I and Schedule III controlled substances in a public place, Inhaber committed criminal acts that reflect adversely on his honesty, trustworthiness or fitness as a lawyer in other respects in violation of Rule 8.4(b).
- (g) By making electronic transfers of lawyer's fees from his trust account to his office account, Inhaber failed to indicate on the instrument the client balance against which the instrument was drawn in violation of amended Revised Rule 1.15-2(h) [for conduct occurring after May 4, 2000] or Revised Rule 1.15-2(f) [for conduct occurring prior to May 4, 2000].
- (h) By failing to appear in court for Marino and failing to pay Marino's fine and costs, Inhaber failed to act with reasonable diligence and promptness in representing his client in violation of Rule 1.3; and failed to promptly pay funds he had received from his client to a third party, as directed by his client, in violation of pre-May 4, 2000 Rule 1.15-2(h).
- (i) By failing to dispose of Gentle's traffic ticket and failing to pay Gentle's costs and fine, Inhaber failed to act with reasonable diligence and promptness in representing his client in violation of Rule 1.3; and failed to promptly pay funds he had received from his client to a third party, as directed by his client, in violation of pre-May 4, 2000 Rule 1.15-2(h).
- (j) By failing to pay Albea's costs and fine with the funds he had received for that purpose, Inhaber failed to act with reasonable

diligence and promptness in representing his client in violation of Rule 1.3; and failed to promptly pay funds he had received from his client to a third party, as directed by his client, in violation of pre-May 4, 2000 Rule 1.15-2(h).

- (k) By failing to communicate with Albea after Albea called to determine the outcome of her traffic matters, Inhaber failed to keep a client reasonably informed about the status of a matter and promptly comply with reasonable requests for information in violation of Rule 1.4(a).
- (l) By causing Albea to lose her job as a school bus driver, Inhaber prejudiced or damaged his client during the course of the professional relationship in violation of Rule 8.4(g).

BASED UPON the foregoing Findings of Fact and Conclusions of Law, and with the consent of the parties, the hearing committee hereby makes the following:

FINDINGS OF FACT REGARDING DISCIPLINE

1. Inhaber voluntarily sought treatment for "a lot of mood swings" in February 2000, but didn't follow up on his treatment. In the spring of 2000, Inhaber again sought treatment, and was referred for therapy. In the summer of 2000, Inhaber began treatment with Dr. David B. Jarrett, a psychiatrist, and has continued to see Dr. Jarrett at least every two weeks since then.

2. Inhaber suffers from bipolar II disorder occurring in the context of an underlying personality disorder. The prognosis for Inhaber is good given his compliance with his treatment plan.

3. In September 2000, Inhaber attended the Pavilion rehabilitation program for four weeks to address his substance abuse problem, and subsequently followed up in an eight-week intensive outpatient program through Novant Health.

4. Inhaber has been screened regularly for drug use since August 2000 and has not failed to take a screen when asked and has not failed a drug screen.

5. In November 2000, Inhaber entered the Forsyth County Drug Treatment Court Program relating to his drug offenses. Inhaber completed a period of intensive probation and attended AA/NA meetings three to four times a week. Judge Lisa Menefee rewarded Inhaber by placing him on her "A" list. After successfully completing the Drug Court Treatment Program, the charges against Inhaber were dismissed.

6. On October 14, 2000, Inhaber voluntarily entered into a contract with the Lawyers Assistance Program (LAP) and has continued to cooperate with LAP since that time.

7. Inhaber's misconduct is aggravated by the following factors:

- (a) Criminal conduct;
- (b) A pattern of misconduct;
- (c) Initially submitting false statements during the investigation conducted by the State Bar.

8. Inhaber's misconduct is mitigated by the following factors:

- (a) Absence of a prior disciplinary record;
- (b) Personal or emotional problems;
- (c) Timely good faith efforts to rectify the consequences of his misconduct by seeking treatment from Dr. Jarrett and cooperating with the Lawyers Assistance Program;
- (c) Full and free disclosure to the hearing committee in his Answer;
- (d) Physical or mental disability or impairment that led to his misconduct;
- (e) Interim rehabilitation; and
- (f) Remorse.

9. The mitigating factors outweigh the aggravating factors.

BASED UPON the foregoing Findings of Fact Regarding Discipline, and the consent of the parties, the hearing committee hereby enters the following:

ORDER OF DISCIPLINE

1. The license of the defendant, Eric R. Inhaber, is suspended for three years.
2. The three-year suspension is stayed for three years on the following terms and conditions:

a. Inhaber shall violate no federal or state laws (other than minor traffic offenses).

b. Inhaber shall violate no provisions of the Revised Rules of Professional Conduct.

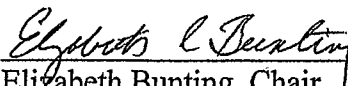
c. Inhaber shall continue treatment with Dr. David B. Jarrett, or some other psychiatrist acceptable to the North Carolina State Bar, during the entire period the stay is in effect. Inhaber shall follow all treatment recommendations made by the psychiatrist and shall direct the psychiatrist to report any failure to follow the psychiatrist's treatment plan, and the specifics related thereto, to the Office of Counsel. Even if the psychiatrist concludes in the future that Inhaber needs treatment less often, Inhaber must continue to see the psychiatrist at least quarterly.

d. Inhaber shall provide quarterly reports to the Office of Counsel during the period of the stay, signed by Inhaber and the psychiatrist, certifying that Inhaber is in compliance with the terms and conditions of the above paragraph of this order. The reports shall be completed and transmitted to the Office of Counsel by each three-month anniversary of the date of this order.


e. Inhaber shall comply with the terms of the contract he entered into with LAP on October 14, 2000. As a part of that contract, Inhaber shall direct LAP to report any failure to comply with the terms of this paragraph, and the specifics related thereto, to the Office of Counsel. Inhaber shall forthwith execute any release necessary to allow LAP to make such a report.

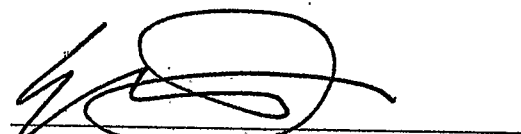
f. Inhaber shall pay the costs of this proceeding by February 1, 2003.

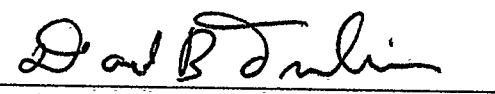
Signed by the chair with the consent of the other hearing committee members, this the 7th day of January, 2003.


Elizabeth Bunting, Chair
Hearing Committee

The foregoing order is consented to by:


A. Root Edmonson
Deputy Counsel
North Carolina State Bar


Eric R. Inhaber
Defendant


David B. Freedman
Counsel for the Defendant